

DISPATCH	CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO HEGW-2309
TO Chief Chiefs Chief	[]	HEADQUARTERS FILE NO. [] []
FROM Chief, WED	DATE	RE: "43-3" - (CHECK "X" ONE) <input type="checkbox"/> MARKED FOR INDEXING <input type="checkbox"/> NO INDEXING REQUIRED <input type="checkbox"/> INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
SUBJECT Operational/RUFUBE Transmittal of Traces on Friedrich SCHWEND and Additional Information on Alvaro GLAVAN	[]	ACTION REQUIRED See Paragraphs 1&5
REFERENCES) A. HPLN-1935 B. HEQA-3669 C. HPLA-3564		
<p style="text-align: right; margin-right: 50px;"><i>Italy, summary of information, 1946-1959</i> →</p> <p>1. Complete Headquarters traces have been run on Friedrich or Frits SCHWEND uncovering the interesting fact that, whereas SCHWEND has been informing on GLAVAN to the Ecuadorian Military Intelligence recently (Reference B), GLAVAN informed on SCHWEND to OTOYKE back in 1947 or 1948. The two were apparently associated in the German IS during World War II.</p> <p>2. Additional information was also uncovered on GLAVAN, supplementing the original information forwarded on him in HPLN-1935, although the latter reported GLAVAN to be a Communist, and the additional information states he is an anti-Communist. This information comes from SCHWEND, is evaluated B-2 and is dated 16 August 1946; "Louis GLAVAN is an interesting personality. He is of strong character, decisive, cunning, and is a trader by profession. He purchases articles which are scarce in one country, and transports them, duty free, on his own ships, and sells them at high profit in another. He has done this for a long time before and during the war. During the war he assisted SCHWEND in his RSHA (German State Security Service) financial operations: procuring rare articles, like cloth, uniforms, foreign money, papers, foreign weapons, etc., needed by RSHA to equip its foreign agents. GLAVAN never was an employee of RSHA but had a personal agreement with RSHA agent, SCHWEND. For this association with SCHWEND, GLAVAN was arrested by CIC in Innsbruck in July 1945 and until August 1946, remained in CIC/Ludwigburg. Upon release, GLAVAN passed through Munich, visited SCHWEND, told him about his future plans, and went to Italy. His plans are to buy a few boats and engage in "trade" between Spain, North Africa, Italy and the Balkans. He intends to settle under an alias in Ancona or in Bari. He can be contacted through SCHWEND. The data on GLAVAN was gotten because it was felt that under certain circumstances he might be useful to us. During our interview with GLAVAN, it appeared that he is a capable, intelligent, dependable (though, no doubt, without regard for law or regulations) and daring man, open for any proposition. Smuggling is GLAVAN's trade, and he can smuggle things, news, or people and keep his mouth shut. He has a high regard for SCHWEND. Data on GLAVAN: Born 28 March 1905 in Fiume, Italy, (NOTE: Fiume, Italy is now Rijeka, Yugoslavia; Susac, Yugoslavia, where Reference A reported he was born, is a smaller town next to Fiume, to the southeast.) He is of Yugoslav descent, was a Yugoslav and an Italian citizen. His current citizenship is Italian. He graduated from Yugoslav OCS at Bilece; he holds the rank of captain in the reserve. He is an anti-Communist. Speaks Italian, German, Croat, Slovene well and some Bulgarian, Russian, Czech and Polish. He has an excellent knowledge of politics and people in Yugoslavia, Albania and Italy. He knows the Adriatic coast of Yugoslavia and Italy well, has personal and business friends there. He is in good relations with the dissident elements in Albania and Yugoslavia, especially Marco BERANI and Bey Ali DRAGA." (NOTE: According to the area desk, "dissident elements" in Albania and Yugoslavia in 1946 were probably anti-Communist, as the Communist regimes were by then fairly well established in those countries.)</p> <p>3. The following are the traces on SCHWEND; they are reported in some detail because of the complexity of the case:</p> <p>a. JRX-1147, 13 August 1945; an interrogation report on German IS activities in Italy during World War II; SCHWENDT, alias WENDIG, P. W. Leader of the WENDIG group, at Trieste and about autumn 1944 at Merano. Said to have returned from the U. S. before the war, and to own hotels in the Dolomites.</p>		
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<p>b. A report dated 15 June 1947, probably from OSS, believed to be an extract from a list of dropped agents, stated that SCHWEND was formerly in charge of the purchasing agents for RSEA, Amt II, and was used by (OSS) Munich to locate valuables accumulated by the RSEA. . . . Since the end of that operation, he had furnished several reports dealing with personalities and groups in Italy, Yugoslavia and Germany. . . . Sometimes early in 1947 he emigrated to Brazil, but as of the above date, was still writing to his (OSS) Munich case officer.</p> <p>c. FRAN-628, to Washington, Munich, Heidelberg, 27 January 1948: ODDI BUON received a letter written by one Vjekoslav A. GLAVAN to General Clay through the American Ambassador Rome, concerning Frits SCHWEND, buyer for Amt II RSEA, who was used by (OSS) on bird-dogging operation from July to September 1945. GLAVAN maintains that SCHWEND and wife Hedda are now living in Lima, Peru, under the name Venecelau TURI, driving yellow Chevrolet N 897h. Claims G. SPITZ, Munich Jew, aided SCHWEND in persuading Americans not to prosecute him for Nazi activities. Claims SCHWEND living from proceeds RSEA funds he succeeded in camouflaging from Americans and which are forwarded to him by one Carl Flutterlieb, Geneva. Also living off investments made with above-mentioned funds. Ingeborg Neuhold, sister of SCHWEND's wife, and Giovanni Hans Neuhold, . . . allegedly supply Flutterlieb with money for SCHWEND. ODDI aware (OSS) involved in case, since cables from 2/SCICB files now in BUON files. Please advise current status SCHWEND.</p> <p>d. HEID-2840, to FRAN, info to WASH, BUEN: 27 January 1948: No connections with SCHWEND. In March 1947 [] reported SCHWEND had gone Italy and emigrated Brazil. Vjekoslav A. GLAVAN possibly identical Louis GLAVAN who in October 1946 was about to start shipping business with SCHWEND in Italy. GLAVAN was born 26 March 1905 in Fiume; assisted SCHWEND in RSEA financial operations. Was arrested by CIC and interned Ludwigsberg July 1945 to August 1945. (Additional information follows, on G. Spitz and Giovanni Neuhold.)</p> <p>e. WASH-2081 OCT-58113, to [] 30 January 1948: OSIBEX Germany reports one Frits SCHWEND, alias WEEDIG, Foreign Currency operator of German IS, and wife Hedda now living Lima under name Venecelau TURI. Drives yellow Chevrolet N 397h. Subject arrested and interrogated by OSS in June 1945 in attempt to recover hidden German IS funds. Reported presently living from proceeds these funds he succeeded in camouflaging from the Americans. (Reported to [] in HPLA-355h, 25 November 1959.)</p> <p>f. TPLH-275, 5 February 1948: Frits SCHWEND worked for the German Intelligence Services in various capacities beginning in 1940. In 1943 Heinrich HIPPLER ordered the manufacture of false currency with the intention of selling it in occupied Europe against gold, jewels, and other valuables. Valuables thus purchased were to be used to finance GIS operations. A Dr. WEEDIG was appointed head of this operation. After his death in 1944, Subject took charge, using the name WEEDIG. As the allied armies advanced in Germany, SCHWEND evacuated to Sorano in North Italy with stocks of the false currency and valuables. He was arrested in about May 1945 and was interrogated in an effort to determine the whereabouts of other persons involved in the operation, as well as to discover the location of funds and valuables, which constituted a threat to Allied security as they could have been used to finance anti-Allied post-war activities. Subject was used by OSS on this bird-dogging operation from July to November 1945 as a casual informant by the Munich Station. The last report from him was dated 28 August 1946. In March 1947, the Munich Station reported that SCHWEND had gone to Italy and from there had emigrated to Brazil. After his departure from Munich he wrote twice to his former case officer [] explaining his course and stating that he would transmit his permanent address in Brazil. Nothing further has been heard to our knowledge. . . . SCHWEND lived for some years in the U. S., where he had wealthy aunts. After this sojourn in the U. S., he had returned to Europe to administer the European fortunes of these aunts. (NOTE: See paragraph 3c,</p>		
FORM 10-57 53a (40)	USE PREVIOUS EDITION. REPLACES FORMS 51-78, 51-78A AND 51-79 WHICH ARE OBSOLETE	CLASSIFICATION S E C R E T
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<p>regarding SCHWEND's hotels in the Dolomites). The GIS funds SCHWEND reportedly is using at the present time, as well as the income from investments made with these funds, are said to come via Switzerland from his father-in-law, Giovanni MEHWOLD, a wealthy man living in Genoa, Italy. There is no record here of Subject's assumed name (TURI) as given in WASH-2081. The information in WASH-2001 on SCHWEND's activity in Lima comes from a person (GLAVAN) who is probably identical with one of his co-workers in the GIS, who may possibly be denouncing SCHWEND for personal or business reasons. Thus, the reliability of that information would not be taken at its face value until confirmed by other sources.</p> <p>c. TPL-363, 17 February 1948, from [] and [] According to the Files of the Peruvian Extranjeria, Veneciano TURI and Hilda de TURI entered Peru on 3 April 1947 at Puno, having come from La Paz, Bolivia, and on 6 June 1947, were granted alien Registration cards No. 1768-B and 1519-C. On his passport, (Red Cross Passport No. 20129, issued Rome, Italy, 7 October 1945) TURI's date of birth was given as 1 November 1904, in Zara, Yugoslavia. His wife's passport (Red Cross No. 26191, issued the same date) gave her date of birth as 19 October 1914, also in Zara. TURI and his wife were said to have left Lima for Ica, Peru, in mid-February 1948, to take up residence as farmers.</p> <p>b. HNSA-365, 25 February 1948, to HCCOE Liaison Office from Chief of Station, Heidelberg. There has been no contact with SCHWEND by this office since late 1945, when his use as a bird-dog on HNSA hidden funds was no longer required. [] may be able to supply more complete information on SCHWEND and his activities, as [] has been informally in contact with him since his (SCHWEND's) arrival in Peru. . . .</p> <p>1. HNSA-3062, dated 25 October 1954, indicates that SCHWEND, "a former Nazi General who had come from Lima," left Panama for Chile in the company of Domingo FERRER, a Chilean of Hungarian origin suspected of RFE activities. Copies of this dispatch are attached for [] [] copies were sent to [] the time. HNSA-4545, dated 31 August 1955, indicated that SCHWEND was involved with FERRER in platinum and/or narcotics smuggling at that time in Lima. Copies of this dispatch are attached for [] [] copies were sent to []</p> <p>b. Attached for [] is a verbatim copy of an article from HARPER'S magazine, issue of July 1957, on the counterfeit operation SCHWEND was involved in. For the information of all addressees, because it is believed that there has been some confusion in the recent correspondence on GLAVAN, the following is a complete chronological list of all the recent dispatches:</p> <p>a. HNSA-1935, 3 September 1959 (Forwards original derogatory information on GLAVAN, based on report given to CHELSEA by journalist Herbert JOHN)</p> <p>b. HNSA-7120, 22 September 1959 (No reports additional information GLAVAN besides that in [] 1935).</p> <p>c. HNSA-1553, 28 September 1959 (Information on GLAVAN and STEPANOVICS, with photos; [] additional information requested; wrong 201# referenced).</p> <p>d. HNSA-3467, 9 October 1959 (No traces GLAVAN and STEPANOVICS; 201# not referenced. [] not [] 1935, referenced.)</p> <p>e. HNSA-7225, 30 October 1959 (Gives traces already forwarded; 201# not referenced.)</p> <p>f. HNSA-3669, 18 November 1959 (Requests traces on GLAVAN and SCHWEND from [] 201# not referenced.)</p>		
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e. EPLA-3564, 25 November 1959 (Forwards some traces on SCHWED; none on GLAVAN; GLAVAN's 201# not referenced.)

h. HOPA-3535, 27 November 1959 (Reports no traces GLAVAN or SCHWED; no 201# referenced.)

i. HBUW-954, 1 December 1959 (Comments on photos of GLAVAN and STEPANOVICS forwarded in HESA-1553.)

5. It is suggested that [] attempt to ascertain whether GLAVAN and perhaps SCHWED too, is possibly engaged in RIS activities, in view of the information to this effect on GLAVAN in HPIN-1935. (It is assumed that for the moment they are both in Ecuador, as indicated in HRQA-3669.) The Headquarters desk officer has discussed the information on SCHWED and GLAVAN with [] SCHWED's once officer in Germany in 1945-46. [] has confirmed that the information on SCHWED is generally true; he was not aware of the later information, dated 1954 and 1955, in paragraph 3h above; and he could not remember GLAVAN. Even if GLAVAN and/or SCHWED are not RIS, it would be worth-while to find out why SCHWED is reporting on GLAVAN to the Broadcasters Military Intelligence, and what he is telling them. SCHWED appears to be engaged in some business that we should know more about. If contact were established with SCHWED on the ostensible basis of investigating GLAVAN, it might give the [] a chance to pick him up and keep informed on his widely diversified and apparently shady activities, and those of his colleagues and competitors. Some of these might be leads to RIS activity in the area. It is believed that this justifies a careful approach to SCHWED. In view of his rather unclear background. It is also suggested that [] contact whether Mr. Herbert JOHN, the journalist who originally told GELFANDS about GLAVAN, is still in Peru, and if so, that the Station attempt to get in touch with him for any additional information he might have on GLAVAN, and the GLAVAN/SCHWED relationship.

Attachments:

- A. ~~HRQA-3669~~ articles
- B. HESA-1553
- C. HESA-1545

14 March 1960

Distribution:

- 3 - [] w/att-A, B, & C
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